

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

LG CAPITAL FUNDING, LLC

Plaintiff,

v.

BLUE SPHERE CORP.

Defendant.

Civil Action No.: 1:20-cv-04882 (PKC)

**DECLARATION OF JACOB  
PARGAMENT IN SUPPORT OF  
PLAINTIFF'S MOTION FOR  
DEFAULT JUDGMENT**

I, Jacob Pargament, hereby declare under penalty of perjury that the following is true and correct to the extent of my personal knowledge:

1. I am a member of the Bar of this Court and am an associate at the firm of Garson, Segal, Steinmetz, Fladgate LLP, attorneys for plaintiff, LG Capital Funding, LLC ("LG" or "Plaintiff") in the above-entitled action. I submit this declaration, along with the Memorandum of Law and Statement of Damages herewith, in support of Plaintiff's Motion for Entry of Default Judgment pursuant to Fed. R. Civ. P. 55(b) and Local Civil Rule 55.2 against Blue Sphere Corp. ("BLSP" or "Defendant").

2. This is an action to recover damages in the sum of \$120,112.97, plus costs and attorneys' fees owed by Defendant to Plaintiff under the terms of a validly executed promissory note (the "Note").

3. Jurisdiction of the subject matter of this action is pursuant to 28 U.S.C. §1322(a)(2), diversity jurisdiction, in that the action is between citizens of different states and the amount in controversy exceeds the sum or value of \$75,000.00, exclusive of interest and costs.

4. All members of LG Capital Funding, LLC are citizens of New York. Dkt. 1, ¶ 1.

5. Upon information and belief, Defendant, a corporation, is organized under the laws of the State of Nevada and has a principal place of business in the State of Nevada. Dkt. 1, ¶ 2.

### **PROCEDURAL HISTORY**

6. This action was commenced in the Southern District of New York against Defendant by Summons and Complaint on June 25, 2020. Dkt. 1. A true and correct copy of the Complaint is attached hereto as **Exhibit A**.

7. Defendant was duly served on June 30, 2020, and its Answer to the Complaint was due on July 21, 2020. Dkt. 8. A true and correct copy of the Proof of Service is attached hereto as **Exhibit B**.

8. Defendant failed to Answer, and Plaintiff requested a certificate of default on September 9, 2020. Dkt. 9-10.

9. On September 9, 2020, the Clerk of this Court noted Defendant's default. Dkt. 11. A true and correct copy of the Clerk's Certificate of Default is attached hereto as **Exhibit C**.

10. To date, Defendant has failed to answer, appear, or otherwise move.

11. Defendant, a corporation, is not a minor, is not incompetent, and is not a member of the military.

12. The default requested herein is applicable to BLSP, sole defendant in this action, and entry thereof will resolve this action in its entirety.

### **REQUESTED RELIEF**

13. As described in further detail in the Complaint, Plaintiff is entitled to: (1) repayment of principal and accrued interest of the Note; and (2) attorneys' fees and costs incurred in the collection of any amount due under the Note.

14. The amount due and owing on the Note is \$120,112.97, consisting of \$78,750.00 of principal, \$8,284.93 of regular interest, and \$33,078.04 of default interest. Declaration of Joseph Lerman filed herewith ("*Lerman Decl.*"), ¶ 29.

15. Counsel for Plaintiff has spent 30.20 hours on this matter, and associates bill at an hourly rate of \$250.00 per hour on this type of matter. An itemized and contemporaneously prepared list of Counsels' hours is attached hereto as **Exhibit D**.

16. The itemized bill shows the work of two associates<sup>1</sup> who have worked on this matter at various stages. Through years of litigating breaches of convertible notes, the associates have each developed a unique understanding of this type of transaction, particularly, convertible notes, the supporting documents, the Securities and Exchange Commission and FINRA's regulations related thereto, and common defenses presented. All associate work has been performed under the supervision of Michael Steinmetz, a founding partner of the firm with ten years of litigation experience.

17. The hours include counsel's pre-litigation correspondence with LG, preparation of the pleadings, coordination with process servers, and preparation of documents related to BLSP's default. Accordingly, LG is entitled to attorneys' fees in the amount of \$7,550.00.

18. Costs incurred thus far in bringing this action amount to \$497.80, including the \$400 filing fee and \$497.80 for service of process on Defendant's Registered Agent in Nevada. A true and correct copy of the receipt for service of process is attached hereto as **Exhibit E**.

19. An initial pretrial conference is scheduled for November 6, 2020. Dkt. 13.

20. Given that: (1) the allegations in the complaint support a finding that Defendant is liable for breach of contract; (ii) the Court may rely on Plaintiff's declaration and/or documentary evidence in determining the reasonableness of the damages requested; and (ii) the damages sought herein are borne exclusively from the provisions of the underlying contract for breaches thereof, a

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<sup>1</sup>Exhibit B shows entries for Kevin Kehrli, Esq. and Jacob Pargament, Esq. Kevin Kehrli is a senior associate who joined the firm in 2014, graduated from Brooklyn Law School in Spring 2014, and was admitted in 2015. Jacob Pargament is an associate who joined the firm in 2019, graduated from the Benjamin N. Cardozo School of Law in Spring 2019, and was admitted in 2019.

damage inquest in this action is unnecessary. *See, TMS Entm't Ltd. v. Madison Green Entm't Sales, Inc.*, 2005 U.S. Dist. LEXIS 18256 \* 6 (S.D.N.Y. Aug, 16, 2005), citing *Tamarin v. Adam Caterers, Inc.*, 13 F.3d 51, 54 (2d Cir. 1993).

21. Moreover, the calculations of the figures due and owing, as dictated under the terms of the valid Note between the parties, is provided herewith in the Declaration of Joseph Lerman, a member of Plaintiff, LG Capital Funding, LLC.

22. Accordingly, Plaintiff files herewith a proposed Default Judgment.

**WHEREFORE**, Plaintiff, LG Capital Funding, LLC, requests that this Court enter Default Judgment against Defendant, Blue Sphere Corp.:

- i. For damages in the amount of \$120,112.97;
- ii. For attorneys' fees in the amount of \$7,550.00;
- iii. For costs in the amount of \$497.80; and
- iv. For such other further relief as the Court may deem just and proper.

Dated: East Atlantic Beach, New York  
October 30, 2020

BY: /s/  
Jacob Pargament